BRITISH COLUMBIA
The Best Place on Earth

BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 10-29* *July 23, 2010*

- **Consumer prices in BC rise 0.5% in June**
- **Retail sales jumps 1.5% in May**
- **Crime rate in BC drops for a sixth straight year**

Prices

- **Consumer prices in British Columbia rose 0.5% in June compared to the same month a year earlier.** Much of the increase was due to a jump (+21.7%) in the cost of electricity which helped push overall prices for energy higher (+6.8%). If energy prices were excluded, consumer prices would have remained unchanged in June.

  Higher restaurant bills (+1.1%) put upward pressure on the total cost of food (+0.3%) for a fourth straight month. Store purchases of food continued to take a slightly smaller bite out of British Columbian's budgets (-0.2%), fresh fruit (-6.5%) in particular.

  Shelter costs jumped 1.6% in June, the largest year-over-year increase registered since January 2009, primarily due to a jump in utility bills (+14.7%). Insurance (-10.0%) and mortgage interest costs continued to ease, pushing the cost of owning a home (-1.0%) lower, while renting cost 1.6% more than it did a year ago.

  Household operations (+0.5%) and clothing & footwear (+0.1%) both experienced slight increases in price compared to last year while furnishings cost less (-2.0%).

  Unlike previous months, the increase in gasoline prices (+1.6%) was comparatively minor, applying the brakes to price increases in transportation (+0.5%). Recreation costs were down (-2.1%) in June due to substantial price drops in recreation equipment (-6.0%), home entertainment equipment (-7.4%) and travel tours. The price of education & reading materials (+3.1%) as well as health & personal care (+0.6%) were higher as were the costs for alcohol & tobacco (+0.8%) products.

  In Vancouver, consumer prices rose 1.1% while inflation was more or less flat (+0.1%) in Victoria.

  Data Source: Statistics Canada

- **Nationally, prices were 1.0% higher on average with seven of the eight major components registering an increase in June.** The largest increase in prices was recorded in Ontario (+1.6%), the result of a jump in the cost of automobiles and auto insurance. Manitoba (-0.3%) was the only province to post a decline in prices.

  Data Source: Statistics Canada

The Economy

- **British Columbia's retailers registered a 1.5% (*seasonally adjusted*) increase in sales in May, reflecting improved sales at the province's new car dealerships.** Nationally, retail activity dipped 0.2% partly due to a decline at building material and garden suppliers (-4.1%). Lower prices at the pump also resulted in weaker sales at gasoline stations (-2.3%). Sales were down in five provinces with the most substantial declines being registered in Prince Edward Island (-2.2%), Quebec (-1.8%), Nova Scotia (-1.7%) and Newfoundland and Labrador (-1.7%). *Data Source: Statistics Canada*

- **Wholesalers in British Columbia posted a 4.6% (*seasonally adjusted*) gain in the value of goods sold in May, offsetting the decline (-3.9%) registered in the previous month.** Canadian sales edged down 0.1% due mostly to weakness in the agricultural supplies industry (-29.5%). Sales were weaker in the Prairies with Manitoba (-9.1%) and Saskatchewan (-12.3%) both posting substantial declines.

  Data Source: Statistics Canada

Report **Most Economic Indicators Positive in First Quarter of 2010**

Did you know...

During the last flu season, 11.6 million Canadians (41%) aged 12 years and older reported that they received the H1N1 vaccination.

Data Source: Canadian Community Health Survey

Crime

- **Police-reported crime in British Columbia declined for the sixth consecutive year in 2009, dropping 6.0%, the most out of any jurisdiction in Canada.** Violent crime was down 1.2%, with robbery (-10.0%) and homicide (-0.8%) rates falling. The rate of serious assault (-8.0%) posted a marked drop in 2009. However, much of that was the result of lower rates for physical assault. While there was a slightly lower rate of police-reported sexual assaults committed with a weapon or causing bodily harm (-3.2%), the rate of aggravated sexual assaults increased (+17.7%). Police also reported a 14.6% increase in sexual violations involving children. It should be noted that figures for crimes of a sexual nature likely under-estimate the actual number and rate of offences due to the fact that many sexual crimes are not reported to authorities. *Data Source: SC Cat. no. 85-002-X*

- **Breaking and entering accounted for more than one-in-eight property crimes in 2009.** Despite their prevalence, the break-in rate has been declining steadily (-40.7%) since 2004. In 2009, the police-reported break-in rate fell 14.7%. It is reasoned that the decline in break-ins may be a result of a number of specialized policing programs as well as increased use of security systems. However, it is also possible that an increase in insurance deductibles has resulted in fewer break-ins being reported to police. Motor vehicle theft (-15.1%), theft over $5,000 (-14.1%) and theft under $5,000 (-5.5%) were all lower in 2009. *Data Source: SC Cat. no. 85-002-X*

- **Despite recent declines in several key categories of crime, British Columbia's crime rate (9,006 per 100,000 population) remained well above the national average (6,406 per 100,000 population).** While all three territories continued to post the highest crime rates in the country, among the provinces British Columbia's crime rate was the third highest after Saskatchewan (12,694 per 100,000) and Manitoba (9,800 per 100,000). *Data Source: SC Cat. no. 85-002-X*

Tourism

- **The number of visitors arriving in Canada via BC dropped 4.2% (*seasonally adjusted*) in May.** Fewer Americans (-5.2%) made the trip across the border into BC compared to the previous month. Both overnight (-5.6%) and same-day (-4.4%) visits were down sharply in May.

  Overseas entries were also off (-1.0%), primarily due to a drop in the number of European visitors (-1.6%) as a result of fewer German (-12.1%), British (-2.1%) and French (-1.6%) arrivals. The number of Asian entries remained virtually unchanged in May as a decline in the number of Japanese travellers (-15.2%) was offset by an increase in visitors from South Korea (+2.8%), Taiwan (+2.4%) and Hong Kong (+2.4%). Entries from other regions, such as Latin America and the South Pacific, were also down (-2.3%). *Data Source: Statistics Canada & BC Stats*

Labour

- **In 2006, roughly 10% of senior citizens participated in the labour market with participation rates higher for men (15%) than women (6%).** Those aged 65 to 69 years represented 57% of senior men and 60% of senior women who were employed in 2006.

  Working seniors were concentrated in a few occupations. Among men, the most prevalent occupation was that of a farmer or farm manager (12%). Other occupations filled by senior men included retail salesperson (4%), truck driver (3%) and janitor (3%). Among women, three main occupations were favoured, retail salesperson (7%), secretary (7%) and farmer or farm manager (6%).

  Men and women in the lowest and highest income levels were most likely to work past the traditional retirement age. Highly educated seniors were also much more likely to be employed. *Data Source: SC Cat. no. 75-001-X*

***Infoline** Issue: 10-29*
July 23, 2010

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

Contact: Lillian Hallin
(250) 387-0366
originally published in
Business Indicators, Issue 10-06

Most Economic Indicators Positive in First Quarter of 2010

First quarter in review...

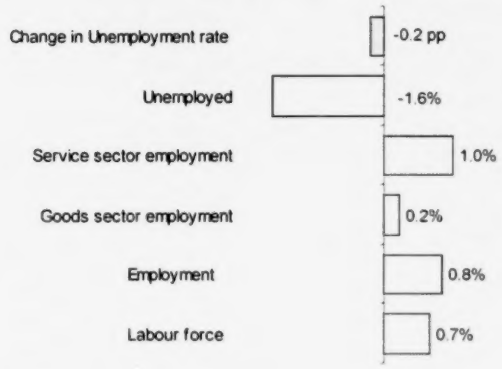
Most economic indicators improved during the first quarter but we're not out of the woods yet.

Labour Market Conditions

The province's unemployment rate inched down 0.2 percentage points to 7.9%[1] in the first quarter of 2010. The improvement in the jobless rate occurred as employment grew a little faster than the labour force.

BC's unemployment rate fell...

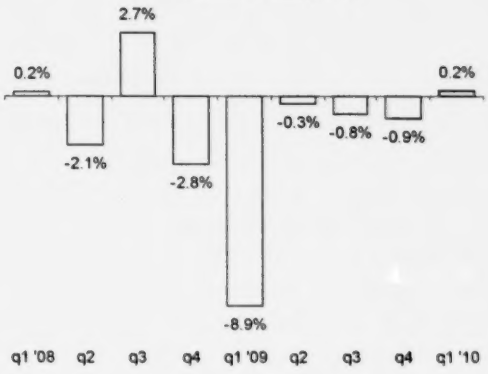
Labour market indicators, seasonally adjusted,
% change from previous quarter



Data Source: Statistics Canada

...and the goods sector took on workers for the first time in more than a year

Employment in goods industries, seasonally adjusted,
% change from previous quarter



Data Source: Statistics Canada

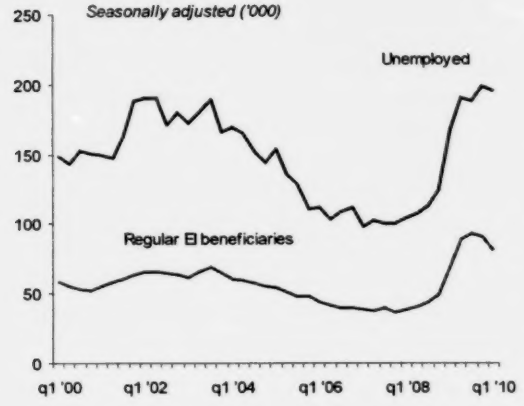
The goods sector posted its first quarterly increase in employment (+0.2%) since the autumn of 2008. Job growth in the service sector, which employs eight out of ten BC workers, was much stronger (+1.0%), pushing employment in the sector above pre-recession levels.

The number of unemployed British Columbians fell 1.6%. An average of 196,000 British Columbians were unemployed and looking for work in the first quarter of 2010. This was nearly twice the number in late 2007, when BC's jobless rate was at a thirty-year low (just over four percent).

Job losses during the recession pushed BC's unemployment rate back up to levels last seen in the early 2000s. However, labour market conditions are improving and some previously unemployed British Columbians are now back on the job.

[1] Unless otherwise indicated, figures are seasonally adjusted, and come from CANSIM, Statistics Canada's electronic database.

The number of unemployed British Columbians averaged 196,000 in the first quarter



Data Source: Statistics Canada

Although the number of regular employment insurance (EI) beneficiaries has begun to fall after peaking in the third quarter of 2009, the decline is not entirely due to better labour market conditions. Some people may not be receiving regular EI benefits because they are no longer eligible for these payments. Income assistance data show that the number of British Columbians receiving temporary income assistance continued to climb in the first quarter, reaching 60,749[2] in March—the highest level since August 2003.

Consumer Income and Spending

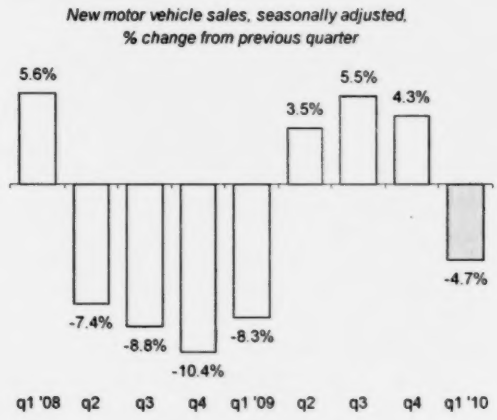
Labour income increased but consumers were more cautious in the first quarter

With more people working, the labour income of British Columbians (wages, salaries and benefits) increased 1.0% in the first quarter, slightly less than the 1.4% growth rate recorded in the fourth quarter of 2009.

Retail sales rose, but at a slower rate...

Data Source: Statistics Canada

...and consumers put the brakes on new vehicle purchases



Data Source: Statistics Canada

The value of retail sales continued to rise, but at a much slower rate (+1.0%) than in the last three quarters of 2009. Consumers also put the brakes on new vehicle purchases. The number of new vehicles sold in BC[3] fell 4.7%

[2] These figures come from a monthly report published by the Ministry of Housing and Social Development at http://www.eia.gov.bc.ca/research/. They are not adjusted for seasonality

[3] Including the territories

The market for existing homes remained active

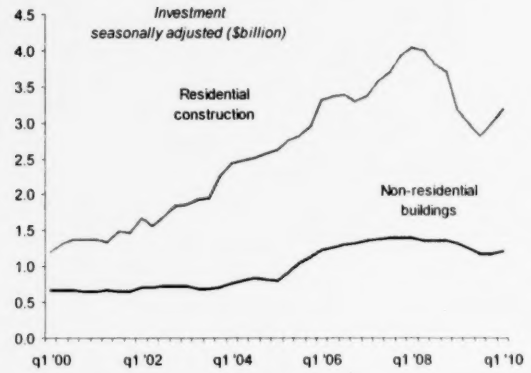
The first quarter was a busy period for the housing market. The value of housing resales[4] nearly doubled (+95%, year-over year), following an even larger increase (+177%) at the end of 2009.

Business Indicators

Business investment in new housing continued to climb

Work on new housing projects continued to advance at a rapid pace. Housing starts were up 29.1%, building on similarly strong growth throughout the latter half of 2009. With more new construction occurring, the value of residential construction investment climbed 7.4%. Although spending on new construction projects (including conversions) increased significantly (+14.3%), investment in improvements to existing dwellings rose just 0.4%.

Residential investment up 7.4%



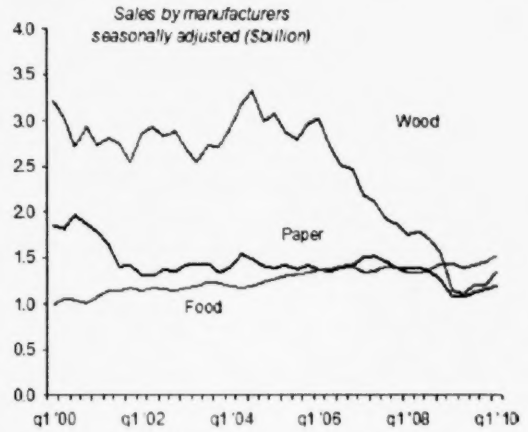
Data Source: Statistics Canada & BC Stats

Investment in new non-residential buildings advanced 4.3%, largely due to institutional and government building projects (+14.3%). A year-long decline in investment in new commercial buildings came to an end in the first quarter, as spending inched up 0.4%.

Manufacturing sector making a comeback

Manufacturing, which was particularly hard-hit during the recession, has begun to regroup. Total manufacturing sales advanced 5.1%, as producers of both non-durable (+3.4%) and durable (+6.9%) goods made solid gains.

BC's wood and paper industries continued to recover, but sales still fell short of those in food manufacturing



Data Source: Statistics Canada

Recent events have resulted in at least a temporary change in the relative size of some manufacturing industries. Historically, wood production has dominated the sector, but with sales slumping in both the wood and paper industries, BC's food manufacturers currently account for a bigger share of total sales than either of the forest-related industries.

Wood manufacturers are making a bit of a comeback. The volume of sawn lumber produced in the province jumped[5] in the first quarter, increasing for the first time since early 2006. The value of sales by wood manufacturers was

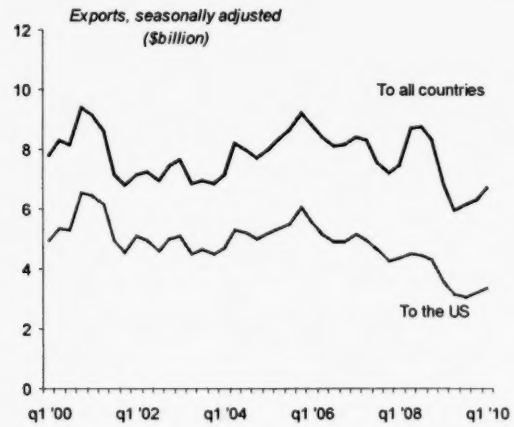
[4] MLS® statistics reported by the Canadian Real Estate Association, unadjusted data.

[5] Year-over-year, unadjusted data.

up 12.2%, well above the increase in both the paper (+2.4%) and food (+4.3%) industries.

Many of the products produced in BC are destined for consumption in other parts of the world. BC commodity exports rose for a third straight quarter with exports to the US increasing 4.7%, while shipments to other countries expanded nearly twice as much (+8.6%).

Exports continued to recover



Data Source: Statistics Canada & BC Stats

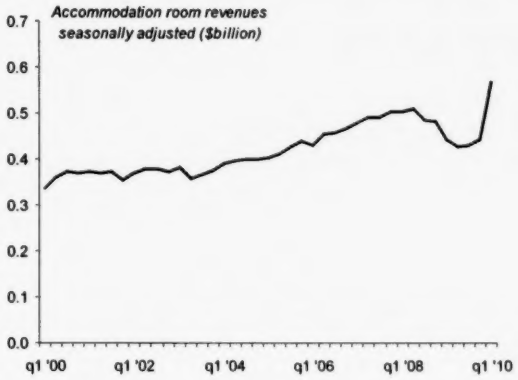
The Olympics

BC's tourism sector benefitted from Olympic-related spending

British Columbia hosted the 2010 Olympics in the first quarter, and this contributed to increased activity in the tourism sector. The number of non-residents entering Canada via BC jumped 10.1%, as visitors from both the US and overseas came to participate in or watch the games. With so many athletes and spectators to house, hotel occupancy rates in Vancouver and Whistler climbed to about 85% in February, and rooms were at a premium (average hotel room rates in February were nearly double the usual level).

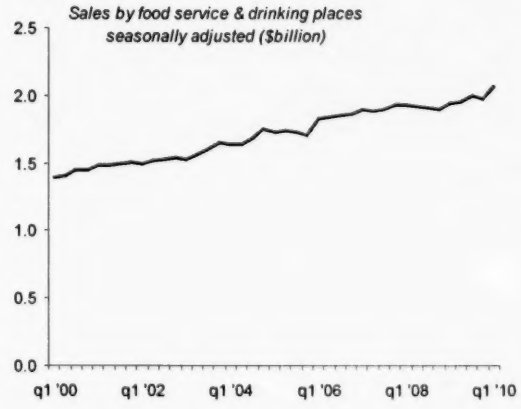
Room revenues in the province soared (+28.5%) in the first quarter, rising 52.8% in the Lower Mainland area. The rest of the province saw virtually no change (+0.9%) in first quarter revenues, suggesting that most of the gain was attributable to the Olympics.

Room revenues reached Olympic highs...



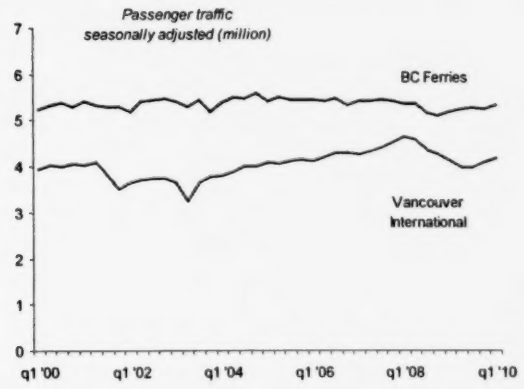
Data Source: BC Stats

...while food services and drinking places made more modest gains



Data Source: Statistics Canada

Ferry and air passenger traffic received only a temporary boost during the Olympics

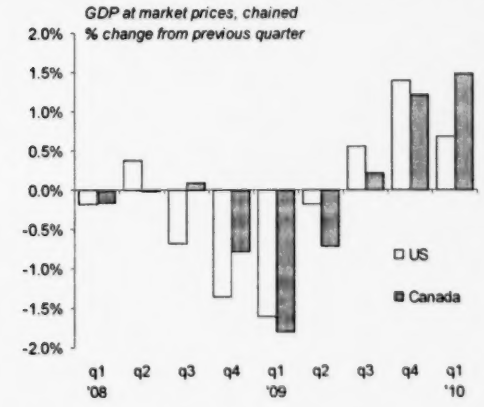


Data Source: BC Ferries, Vancouver International Airport & BC Stats

Operators of ferry, air and local transit services saw passenger traffic climb during the Olympic period, but over the longer run the impact was not as great. Vancouver airport had its busiest day ever following the closing ceremonies, but ended the month of February with passenger counts at near normal levels. Passenger traffic through the airport rose 2.3% in the first quarter, slightly less than the fourth-quarter increase of 2.8%.

Canada and the US

Canadian and US economies continued to grow



Data Source: Statistics Canada & US Bureau of Economic Analysis

Stock market gains moderated in the first quarter

Data Source: Statistics Canada

The Canadian and US economies both expanded in the first quarter, but the increase in the US was considerably less than in late 2009. Similarly, stock markets, which began to pick up speed in late 2009, have since seen activities taper off slightly.

What lies ahead?

Although there were many positive economic signs in the first quarter, it is too early to say that we are out of the woods and back on the path to steady economic growth. Some analysts are predicting that there may be a double-dip recession in the US, and with financial markets in some European countries showing considerable signs of stress, the global economic situation remains very uncertain. Some recently-released data from south of the border is far from encouraging, and there are also indications of slower growth in some of the Canadian data.

While BC's economy is improving, it has a long way to go before all of the ground lost during the recent recession has been regained. Although the Olympics provided a big boost to some industries in the first quarter, the long-term effect of the Olympics on the BC economy will not be evident for some time to come. In the short term, second quarter data for the accom-

modation and food services industries will almost certainly show a significant reduction from the Olympic heights reached in February as business returns to more normal levels. At the same time, the effect of the federal government's stimulus spending will be reduced as available funds are used up. With uncertain economic conditions in some key markets for BC products, the province, together with the rest of Canada, could be in for a somewhat bumpy ride during the next few months.

Infoline

July 23, 2010
Issue 10–29

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Apr 1/2010	% change on one year ago
BC	4,510.9	1.6
Canada	34,019.0	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - May 2010	2,946	2.1
Merchandise Exports - May 2010	2,457	4.0
Retail Sales - May 2010	4,885	1.5
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Jun 2010)		
BC	0.5	0.0
Vancouver	1.1	0.3
Victoria	0.1	0.0
Canada	1.0	0.7
LABOUR FORCE (thousands)		% change on prev. month
(seasonally adjusted)	Jun 2010	
Labour Force - BC	2,493	0.6
Employed - BC	2,299	0.3
Unemployed - BC	194	4.1
		May 2010
Unemployment Rate - BC *(percent)*	7.8	7.5
Unemployment Rate - Canada *(percent)*	7.9	8.1
INTEREST RATES (percent)	Jul 21/2010	Jul 15/2009
Prime Business Rate	2.75	2.25
Conventional Mortgages - 1 year	3.50	3.75
- 5 year	5.79	5.85
US-CANADA EXCHANGE RATE	Jul 21/2010	Jul 15/2009
(avg. noon spot rate) Cdn $ per US $	1.0306	1.1194
(closing rate) US $ per Cdn $	0.9670	0.8974
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)	Jun 2010	
BC	832.33	4.9
Canada	814.82	1.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

BC Student Outcomes – 2009 Highlights

The 2009 Highlights includes findings from the four main post-secondary student outcomes surveys: the Diploma, Associate Degree, and Certificate Student Outcomes (DACSO) Survey, the Apprenticeship Student Outcomes (APPSO) Survey, the Developmental Student Outcomes (DEVSO) Survey, and the Baccalaureate Graduates Survey (BGS).

http://outcomes.bcstats.gov.bc.ca/Libraries/DACSO_Highlights/H09_Student_Outcomes_pdf.pdf

Regional Employment Projections

Updated projections of employment by industry and occupation are now available. The data offers regional detail for College Regions and Development Regions with estimates for 2009 and projections for 2014.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Released this week by BC Stats

- Consumer Price Index, June 2010

Next week

- Business Indicators, July 2010

BC Stats, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: 250-387-0327 Fax: 250-387-0380 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca